

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 4608-01
BILL NO.: HB 2067
SUBJECT: Motor Vehicle Emissions Inspection Program
TYPE: Original
DATE: March 10, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Economic Development - Division of Motor Carrier and Railroad Safety**, the **Department of Health**, the **Office of State Courts Administrator**, the **Missouri State Highway Patrol** and the **Office of the Attorney General** assume their agencies would not be fiscally impacted by this proposed legislation.

Officials from **Jefferson County** assume they would not be fiscally impacted by this proposed legislation.

Officials from the **Office of Administration - Division of Budget and Planning** assume their agency would not be fiscally impacted by this proposed legislation. However, they noted that this proposal may impact total state revenue.

Officials from the **Department of Revenue** assume that under the proposed legislation the Motor Vehicle Bureau will incur expenses for form, postage and procedure changes to the Central Office and Field Offices; however, this impact is anticipated to be minimal and can be handled with existing resources.

Officials from the **Department of Natural Resources** assume the proposed legislation gives the Missouri Air Conservation Commission the authority to temporarily suspend motor vehicle emission inspections if substantial problems exist that would inconvenience motor vehicles. Since this is just authorizing legislation and not requiring the commission to act, the Department will not be impacted by this legislation.

Officials from the **Department of Transportation** (MoDOT) assume the enhanced vehicle emissions inspection program is required in the St. Louis non-attainment area. The program is part of the State Implementation Plan (SIP) agreed upon by Missouri and the EPA. Suspension of this program, a main staple of the Clean Air Act compliance in St. Louis, may result in Federal Highway Administration (FHWA) and EPA declaring the area to be non-conforming. This means that federal funds could be withheld in the area until conformance either through reinstatement of the program or through alternative measures of equal or better emissions reduction value being instituted in the region.

If the FHWA and EPA declare the St. Louis area as non-compliant, the amounts that could be withheld are \$181,800,000 in FY01, \$174,000,000 in FY02, and unknown in FY03 since the federal appropriations have not been established for FY03. These amounts equal total federal

ASSUMPTION (continued)

money lost to the state, not just MoDOT's loss in the St. Louis area. However, MoDOT officials do not know what the exact penalty for non-compliance would be; the FHWA and EPA could make a ruling to withhold all of the related funding or they could be lenient and give the state extra time to modify the system or some other. Therefore, a range is listed as the impact; \$0 to \$181,800,000 in FY01, \$0 to \$174,000,000 in FY02 and \$0 to unknown in FY03.

Officials from MoDOT noted that the Clean Air Act mandates reductions in VOC emissions and the state's inspection and maintenance (I/M) program is critical to the state achieving these reductions. This legislation could possibly negatively impact such reductions if EPA disapproves the I/M program because of the provisions relating to the "suspension of the program if there is a motorist inconvenience".

<u>FISCAL IMPACT - State Government</u>	FY 2001	FY 2002	FY 2003
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2001	FY 2002	FY 2003
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal allows the Missouri Air Conservation Commission to temporarily suspend any motor vehicle emissions inspection program in non-attainment areas that is determined to have operational failures or problems existing which would cause substantial inconvenience to motor vehicle owners if the program were to continue operation without revisions. A suspension will become effective within thirty days following a determination. No motor vehicle required to be inspected in a non-attainment area will be denied registration on the basis of failure to have the vehicle inspected if such inspection program is suspended.

This proposal contains an emergency clause.

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DESCRIPTION (continued)

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Economic Development
Division of Motor Carrier and Railroad Safety
Department of Health
Department of Natural Resources
Department of Revenue
Department of Transportation
Missouri State Highway Patrol
Office of Administration
Division of Budget and Planning
Office of the Attorney General
Office of State Courts Administrator
Jefferson County

NOT RESPONDING: City of St. Louis, St. Louis County - Director of Administration; St. Charles County Executive

A handwritten signature in black ink, appearing to read "Jeanne Jarrett".

Jeanne Jarrett, CPA
Director
March 10, 2000